

COMMISSIONERS APPROVAL

CHILCOTT *gc*

LUND *BL*

THOMPSON *AT*

TAYLOR (Clerk & Recorder)

Date.....March 23, 2006

Members Present.....Commissioner Greg Chilcott,
Commissioner Betty Lund and Commissioner Alan Thompson

Minutes: Glenda Wiles

Commissioner Lund attended a JSEC Seminar during the morning hours.

The Board met to review the final approval submittal for Grants Meadows Subdivision. Present was Jason Rice, the Developer's Consultant, Interim Planning Director Karen Hughes and Planner John Lavey. It was noted the Letter of Credit was extended as required for plat approval. Commissioner Thompson noted the conditions of final plat have been met and made a motion to grant final approval to Grants Meadows Subdivision. Commissioner Lund seconded the motion and all voted "aye".

Jason thanked the Board for allowing Civil Counsel to review this issue on the road. He also advised the Board he will be sending them a letter in regard to another project he is working on, and he has again, not received any response in regard to the roads. He stated he is not 'mad' at the individual (referring to David Ohnstad), but is afraid of retribution, particularly in light of other projects he is involved in.

In other business the Board met to discuss Rural Special Improvement Districts (RSID's). Present at this meeting was WGM Engineer Jonathan Gass, Engineer Tom McCarthy, Road Supervisor David Ohnstad and Interim Planning Director Karen Hughes. David stated some residents may want a higher level of service on their road, and as subdivisions occur on various lengths of roads, in looking at the options, the county can chose to utilize bonding, recovery contracts, gasoline tax and RSID's. David stated the RSID's are under utilized and could be of great benefit to the residents.

Tom stated he has worked on RSID's for thirty years. Currently he is working on an 11 million dollar RSID and has even worked on an RSID for paving one alley way. These include; water, streets and parks. RSID carry a stigma because they do not understand all of the aspects of an RSID. In the past they have been improperly used. This is a public process for building a public facility. County roads qualify. Tom stated this is a political process as there is a protest period. Engineering is involved from the beginning to the

end where the bonding occurs. This is also a legal process and bond counsel is required. Tom stated this is also a financial process when the bonding occurs. The county will be the co-signer on the note and the collateral is the land. The county pledges the revolving loan fund and serves as the collection and accounting agency. This is a long-term process with risk. Tom stated it is important for the county to weigh the risks.

Tom stated this is a team process whereby the Public Works Director, Accounting, Administrative Officer, Engineer and County Attorney's Office needs to be involved. In that regard the process is expensive, and the administrative fees need to be covered. Other charges include bond counsel, engineering, revolving fund, etc. Because these are public process projects, Montana Prevailing Wage needs to occur. Therefore, it is not uncommon for an RSID to cost 20-25% more than a private project. The benefits are that the bonds are sold at a tax-exempt interest rate (lower rates), and the reluctant party can be forced to participate in a project they do not want to pay for.

Tom stated when they start an RSID they meet with the private citizens in order to explain the benefits. One issue that needs to be addressed is the 25% ownership, which could prohibit it to become a tax-exempt bond. He stated bond counsel weighs in on this opinion.

Tom feels the road RSID's are a great tool for paving roads. He also noted the Commissioners need to stay within their bonding limits. Construction and maintenance RSID's can also exist. Capital Improvement Projects are also an important tool for maintenance purposes. Discussion included beneficial areas, recovery costs, maintenance costs and the manner in which to assess the landowner. Tom stated it is always important to look at the amount of debt for the investment amount. David stated as the 7-year road improvements plan is adopted next week, they will find that some levels of service will not be given as it has been given. He stated in assessing his department, there is not enough resources to buy the level of service that is demanded. Some of the roads serve exclusive to a subdivision, and those roads should be excluded from the level of service that has been given, particularly in light of the fact that the major collector roads are 'deteriorating as we speak'.

In other business, Commissioners Lund and Chilcott attended a Highway 93 Corridor meeting in Stevensville during the evening hours.